

## Message Text

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ORIGIN EUR-12

INFO OCT-01 IO-04 ISO-00 EB-04 COME-00 STR-01 TRSE-00

CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00 NSC-05

PA-01 RSC-01 PRS-01 SP-02 SS-15 USIA-06 ACDA-05

SAJ-01 OIC-01 CU-02 SAM-01 CIEP-01 AGR-05 OMB-01

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COMM/DAS/BRTA:SBODNER

COMM/BEWT:MLEVIN

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E/OTSTA:JCRAWFORD

EUR/RPE:GWOLFE

TRS:SLYON

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P 152126Z OCT 74

FM SECSTATE WASHDC

TO USMISSION GENEVA PRIORITY

INFO USMISSION NATO PRIORITY PRIORITY

USMISSION EC BRUSSELS PRIORITY

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E.O. 11652: N/A

TAGS:PFOR, EGEN, CSCE

SUBJECT: CSCE: TRADE ISSUES

REFS: A) GENEVA 6228; B) GENEVA 5771; C) GENEVA 6186

GENEVA FOR USDEL CSCE

1. YOU MAY EXPRESS TO EC NINE OUR AGREEMENT WITH THEIR PLAN

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TO TABLE STREAMLINED TEXT ON TRADE OBSTACLES AND OUR

APPRECIATION FOR CHANCE TO COMMENT ON TEXT. WE HAVE USED OCCASION TO REVIEW US POLICY TOWARD THIS KEY BASKET 2 AREA, AND GENERALLY ENDORSE EC NINE TEXT, WITH FOLLOWING COMMENTS KEYED TO TEXT GIVEN REF A.

2. PARAS 1 AND 2. ENDORSE USDEL COMMENTS.

3. PARA 3. SUGGEST FOLLOWING REWORDING OF FINAL PART VICE USDEL COMMENT: SO THAT FULL ADVANTAGE CAN BE TAKEN OF THE POSSIBILITIES FOR TRADE EXPANSION. IF THIS NOT ACCEPTABLE TO NATO CAUCUS, REQUEST AT LEAST DELETION OF WORD "ALL" IN EC NINE AND USDEL VERSIONS.

4. PARAS 4 AND 5. ACCEPTABLE.

5. PARA 6. YOU SHOULD INFORM NATO CAUCUS THAT WHILE WE CAN

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ACCEPT AT THIS TIME GENERAL APPROACH IN DRAFT TEXT, FINAL US APPROVAL OF LANGUAGE ON SAFEGUARDS WILL NOT BE POSSIBLE UNTIL THE US SAFEGUARD MECHANISM APPLICABLE TO NON-MARKET ECONOMIES IS ENACTED BY CONGRESS THROUGH PASSAGE OF TRADE REFORM ACT. THIS POSITION IS NECESSARY TO AVOID ANY POSSIBLE CONGRESSIONAL CONCERN WHILE THE TRA IS PENDING AND TO ASSURE THAT US COMMITMENT CONFORMS TO US LAW.

6. APPRECIATE US REP STATEMENT OF DISCLAIMER RE INABILITY OF US TO CONTROL EXPORT QUANTITIES (PARA 3 REFTEL B). ON FURTHER REFLECTION, IT SEEMS OUR POSITION ON THIS ISSUE COULD BE FURTHER STRENGTHENED BY DELETION FROM EC NINE TEXT OF WORDS "IN SUCH QUANTITIES AND." REMAINING PHRASE, "UNDER SUCH CONDITIONS," WOULD SEEM TO COVER QUANTITIES ALONG WITH ANY OTHER ASPECTS OF TRADE, BUT WITHOUT SPOT-LIGHTING QUANTITIES TO DISCOMFORT OF US.

7. IN ADDITION, YOU SHOULD PROPOSE DELETION OF THE PHRASE "SERIOUS INJURY," AND SUBSTITUTION OF "DISRUPTION." THIS CHANGE NECESSARY TO BRING CRITERIA INTO CONFORMITY WITH ANTICIPATED US LAW. UNLIKE "SERIOUS INJURY TO INTERNAL MARKET," LATTER TERM CONFORMS TO INTERNATIONAL USAGE IN LIMITED OFFICIAL USE

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CERTAIN SAFEGUARD CLAUSES. MFA UNDER GATT, FOR EXAMPLE, CONTAINS REQUIREMENT OF MARKET DISRUPTION BEFORE RESTRICTIVE ACTION TAKEN. SINCE NO INTERNATIONAL OR DOMESTIC PRECEDENT EXISTS FOR "SERIOUS INJURY TO INTERNAL MARKET" IMPOSSIBLE TO ANTICIPATE HOW IT MIGHT BE INTERPRETED. NONETHELESS, IT APPEARS TO PRESENT A MORE STRINGENT TEST THAN MARKET DISRUPTION AND AS SUCH WOULD BE IMPOSSIBLE TO ACCEPT IF US LAW AS ANTICIPATED

REQUIRES DETERMINATION OF MARKET DISRUPTION.

8. RE REPLACEMENT OF "PRODUCERS" BY "DOMESTIC PRODUCTION,"  
US CAN ACCEPT EITHER AS LONG AS DOCUMENT EXPLICITLY  
INDICATES THAT BOTH FIRMS AND WORKERS ARE INCLUDED.  
DURING NEGOTIATION ON US SOVIET TRADE AGREEMENT, THIS WAS  
A MINOR ISSUE SETTLED BY AGREEMENT THAT US INTERPRETED  
DOMESTIC PRODUCTION TO INCLUDE FIRMS AND WORKERS.

9. PARA 7. CONCUR WITH USDEL COMMENTS RE IMPORTANCE OF  
THIS PASSAGE FOR BALANCED TREATMENT OF MFN. REQUEST  
CLARIFICATION OF MEANING OF REFERENCE TO "SUPPLEMENTARY  
ARRANGEMENTS." RECOGNIZE THIS IS NOT NEW LANGUAGE, BUT IF  
IMPLICATION IS THAT ALL SUBSEQUENT NEGOTIATIONS IN TRADE  
FIELD ARE SUBORDINATE TO OR FLOW FROM CSCE, SEEMS A BIT  
GRANDIOSE.

10. CONCERNING REFTTEL C TEXT ON IMPORTANCE OF FINANCIAL/

MONETARY MATTERS TO TRADE, YOU MAY INDICATE US APPROVAL.  
IF EASTERN PROPOSAL ON CREDITS SHOULD BE REVIVED, PLEASE  
REFER FOR INSTRUCTIONS. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, COLLECTIVE SECURITY, NEGOTIATIONS, BASKET II, MEETING DELEGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE226623  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DTELLEN/COMM/OTP:AGARCIA:RM  
**Enclosure:** n/a  
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**Errors:** N/A  
**Film Number:** D740293-0276  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741046/aaaabnek.tel  
**Line Count:** 137  
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**Office:** ORIGIN EUR  
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**Original Handling Restrictions:** n/a  
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**Reference:** A) GENEVA 6228; B) GENEVA 5771; C) G, ENEVA 6186  
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